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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/681,774	06/03/2001	Alexander Liss		7604

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EXAMINER

GRAHAM, CLEMENT B

ART UNIT PAPER NUMBER

3628

DATE MAILED: 06/16/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/681,774

Applicant(s)

LISS, ALEXANDER

Examiner

Clement B. Graham

Art Unit

3628

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 21 March 2005.
2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-6 is/are pending in the application.
4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5) ☐ Claim(s) _____ is/are allowed.
6) ☒ Claim(s) 1-6 is/are rejected.
7) ☐ Claim(s) _____ is/are objected to.
8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

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DETAILED ACTION

1. Claims 1-6 remained pending in prosecution.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title. Claims 1-6, are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts. In the present case, claims 1-6, do not recite any structure or functionality to suggest that a computer performs the recited claims. Thus, claims 1-6, are rejected as being directed to non-statutory subject matter. Applicant's is advised to embed a computer in the body of the claims.

Claim Rejections - 35 USC § 112

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:
The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claim 1-6 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

5. Claim 1-6 is rejected as failing to define the invention in the manner required by 35 U.S.C. 112, second paragraph.

The claims are narrative in form and replete with indefinite and functional or operational language. The structure which goes to make up the device must be clearly and positively specified. The structure must be organized and correlated in such a manner as to present a complete operative device. The claims) must be in one sentence form only. Note the format of the claims in the patents) cited.

Claim Rejections - 35 USC § 102

6. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

7. Claims 1-6, are rejected under 35 U.S.C. 102(e) as being anticipated by

Tsagarakis et al(Hereinafter Tsagarakis U.S Pub: 2002/0087455 A1.

As per claim 1, Tsagarakis discloses a divisible financial instrument Securities Ticket, associated with a particular type of holding security or currency, which represents a following "transformation in a progress" of this holding initiated by an issuer of this type of holding, securities split, currency conversion, dividend or interest payment. (see column 7 paragraph 0055-0057) is granted before the end of the transformation, is used to finalize the transformation, participates in the trade of this holding as a representative of the state of this holding. (see column 7 paragraph 0055-0057 and column 9 paragraph 0062 and column 11 paragraph 0075).

As per claim 2, Tsagarakis discloses a Conversion Securities Ticket, which is associated with security or currency conversion, and which is split, as the associated with it holding is split when a part of the holding is transferred, and transferred together with that part of the holding; it carries information about the type of holding, which is a subject of transformation, and about the moment and the kind of this transformation. (see column 7 paragraph 0055-0057 and column 9 paragraph 0062).

As per claim 3, Tsagarakis discloses a Dividend Securities Ticket, which is associated with adding of holdings on the basis of a qualified historical record of an Account, where this holding is recorded, because of a dividend or an interest payment, and which can be split and transferred separately, it carries information about the qualified historical record, types and amounts of additional holdings due in the end of the transformation an the moment of the end of this transformation. (see column 7 paragraph 0055-0057 and column 9 paragraph 0062 and column11 paragraph 0075).

As per claim 4, Tsagarakis discloses where security or currency holding is represented as records in Accounts, there are software modules Tickets Managers, each managing its group of Accounts by granting Securities Tickets, performing their splits and aggregation and finalizing the transformation there is a First Notification sent to Ticket Managers preceding a Securities Ticket granting and a Second Notification sent to Ticket Managers preceding a final transformation of holding. (see column 7 paragraph 0055-0057 and column 9 paragraph 0062 and column11 paragraph 0075).

As per claim 5, Tsagarakis discloses where there is a special entity, which facilitates a delivery of a new version of a converted holding or a dividend or an interest payment participates in creation of Securities Tickets, created as original Securities Tickets or as a result of Securities Tickets splits or a result of Securities Tickets aggregation. (see column 7 paragraph 0055-0057 and column 9 paragraph 0062 and column11 paragraph 0075).

As per claim 6, Tsagarakis discloses where each Securities Ticket is cryptographically signed by this entity. (see column 7 paragraph 0055-0057 and column 9 paragraph 0062 and column11 paragraph 0075).

Response to Arguments

8. Applicant's arguments files on 03/21/05 have been fully considered but they are not persuasive for the following reasons.

In response to applicant's arguments pertaining to Tsagarakis.

In response to applicant's arguments that Tsagarakis fail to teach transformation, which interferes with the transfer of holding from one broker to another the examiner

disagrees with Applicant's because there is no indication or recitation within Applicant's claims where it states transformation of the holdings from one broker to another or between brokers therefore Applicant's argument are moot.

In response to applicant's arguments that Tsagarakis fail to teach transformation of the holdings and does not address transformations related to dividends or stock splits and there is no obvious way to extend his methods to handle these specific transformations. Also, he does not address separate trading of "pending dividends", and dividing of Securities Tickets and addresses currency transformation.

However the examiner disagrees with Applicant's because these limitations were addressed as stated, Tsagarakis discloses a divisible financial instrument Securities Ticket, associated with a particular type of holding security or currency, which represents a following "transformation in a progress" of this holding initiated by an issuer of this type of holding, securities split, currency conversion, dividend or interest payment see column 7 paragraph 0055-0057 is granted before the end of the transformation, is used to finalize the transformation, participates in the trade of this holding as a representative of the state of this holding. see column 7 paragraph 0055-0057 and column 9 paragraph 0062 and column 11 paragraph 0075.

Therefore it is inherently clear that Applicant's claim limitations were addressed within Tsagarakis teachings.

9. In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies "transformation of the holdings from one broker to another", are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

10. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL. See MPEP § 706.07(a)**. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.


11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Clement B Graham whose telephone number is 703-305-1874. The examiner can normally be reached on 7am to 5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 703-308-0505. The fax phone numbers for the organization where this application or proceeding is assigned are 703-305-0040 for regular communications and 703-305-0040 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-305-3900.

CG

June 3, 2005


FRANCIS PONNUL
PRIMARY EXAMINER
AW 3628